

City of Allentown
Brownfield Cleanup Revolving Loan Fund
Supplemental Funding
\$480,000

Cooperative Agreement Work Plan and Budget

Revised October 22, 2015

Prepared for:

U.S. EPA Region 3
1650 Arch St.
Philadelphia, PA 19103

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City of Allentown (Supplemental Funding)
Cooperative Agreement Work Plan
Brownfield Cleanup Revolving Loan Fund Program
October 22, 2015

1.0 INTRODUCTION

The City of Allentown (City) is focused on developing reuse plans for key brownfield properties. Many of these properties are vital to improving Allentown's opportunities for community and economic development. The supplemental Brownfield Cleanup Revolving Loan Fund (BCRLF) will allow the City to continue to improve important sites and support the City's revitalization. The City is requesting \$400,000 in supplemental funding. The City will provide a 20% cost share of \$80,000, which will bring the total cost of the project to \$480,000.

Allentown's current BCRLF has resulted in several finished projects, including the following:

- Calo Building
- Coca-Cola Baseball Stadium
- 716 Linden Street Project (Allentown Redevelopment Authority; resulted in the construction of a mixed-use entertainment complex with investment in excess of \$321 million).
- Neuweiler Brewery
- Phase 1 Remediation of Allentown Metal Works

The supplemental funding requested in this work plan will allow the City to complete Phase 2 remediation of Allentown Metal Works. The remediation of Allentown Metal Works is part of a larger improvement strategy to position resources within the Little Lehigh Industrial Corridor. The Little Lehigh Industrial Corridor is a manufacturing dominated area that runs parallel to the Little Lehigh Creek. The City, in collaboration with its public and private development partners, plans to bring the Allentown Metal Works site back into productive use. Allentown Metal Works is in a HUD Sustainability Zone. It has already been approved for funding for District Planning. This 260,000 square foot industrial facility, spread over eight (8) structures on 19 acres, is poised for re-use as a manufacturing/industrial facility. A Reindustrialization Strategy completed for the City by Camoin and Associates (December, 2014) indicates that the re-onshoring of manufacturing into the United States, and the need for readily available urban space, make Allentown Metal Works a key strategic site. Depending upon re-use strategies, the site will require grant funding anywhere between \$3 million and \$10 million, in order to attract outside private investment. Allentown Commercial Industrial Development Authority (ACIDA) and Allentown Economic Development Corporation (AEDC) are currently developing and pursuing funding strategies to return the site to productive use. A second infusion of EPA Brownfield monies for Phase 2 cleanup activities is required to further cleanup the site.

The City is excited to work with our project partners ACIDA, AEDC, and the Lehigh Valley Economic Development Corporation (LVEDC) on the Allentown Metal Works project because of their commitment to brownfield development. The supplemental funding and cost share

amounts of \$480,000 will allow for the completion of Phase 2 remediation of the Allentown Metal Works site.

The goals of the Allentown BCRLF supplemental funds will include continued environmental remediation of the site, specifically: encapsulation of lead based paint on the steel beams located in Building B; continued asbestos abatement within Building B, Building 1, Building 2, and the utility tunnel; and the filling of open sumps and pits located in Buildings B & C. (Refer to attached work plan from EarthRes dated 8-27-2015).

Documentation was previously submitted to and approved by the EPA to apply these funds as a grant due to the financial incentives required in order to attract private investment. The City may choose to implement funds as a loan initially, based on the feasibility of the project and the ability to maintain leverage relative to the ultimate redevelopment of the site.

2.0 INSTITUTIONAL STRUCTURE AND COST SHARE

A. Cooperative Agreement Recipient/Lead Agency

The City of Allentown, Department of Community and Economic Development will continue to be the lead agency for the supplemental funding.

B. Site Manager/Fund Manager

The Site and Fund Manager for the City of Allentown's BCRLF will be Bernadette DeBias, the Business Development Manager from the Department of Community and Economic Development.

C. Cost Share

The required 20% cost share will be fulfilled by two entities, the City and AEDC, the subgrantee. The City will contribute \$24,615 (6% of total cost share) in personnel costs which includes fringe benefits. AEDC will contribute \$55,385 (14% of total cost share) in cash toward the site remediation expenses. The total cost share is \$80,000. (Refer to Addendum A for a detailed budget).

3.0 PROJECT APPROACH AND BUDGET (Supplemental Funding)

A. Project Approach

Task 1 – Programmatic Management

The original BCRLF program was launched in 2003. Since then several projects have been completed. The City will continue to leverage the BCRLF funds for new brownfield projects, as loan monies are repaid. The Fund Manager will process the applications for new loan and grant opportunities for brownfield sites with high impact, as brownfield loan funds become available. This role includes developing and maintaining contracts with sub-grantees.

The BCRLF program will be managed by the City of Allentown Business Development Manager. It is expected that 25% of the Business Development Manager's staff time, paid for by the City, will be spent managing the identified projects in Tasks 1 through 4 which equals \$24,615 in salary and fringe benefits (\$18,566 in salary and \$6,049 in fringe benefits – pension, healthcare and FICA tax). The City-funded staff time associated with Task 1 is \$11,078 in salaries and fringe benefits to manage the BLRF program for the City of Allentown.

Supplies – Implement Program Supplies/Signage

At each project, the City will post large signs to promote and identify EPA and City cooperative projects. The City will continue to utilize the signs that were placed at Allentown Metal Works during Phase 1 of the cleanup project. Therefore there is no additional cost associated with signage.

Task 2 – Site Specific Community Involvement/Supplies (Media)

The Site Manager will keep the local community informed about the BCRLF supported projects. The City will prepare a community involvement and communications plan. The City of Allentown will hold the required community meetings and respond to public inquiries. All public meeting notices and community relations and cleanup plans will be properly advertised. The cost for paper marketing materials, including brochures, handouts and newspaper advertisements will be \$3,800. The City-funded staff time associated with Task 2 is \$1,231 in salaries and fringe benefits. The total cost for this activity is \$5,031.

Task 3 – Cleanup Activities

Summary:

Cleanup activities are broken into three primary components:

- City staff program management is \$1,231 (City-funded staff time associated with Task 3 including salaries and fringe benefits);
- Contractual costs associated with the City's Environmental Site Manager is estimated at \$20,000;
- Other: AEDC's contracted entity (EarthRes) for Environmental Project Oversight is \$19,940; the budget for the physical remediation is \$411,645; for a total environmental remediation budget of \$431,585.

Detail:

Phase I: Allentown Metal Works cleanup project history

LVEDC initially awarded to EarthRes (via a competitive bidding process) EPA Brownfield Assessment dollars to conduct a Phase I Environmental Site Assessment. A number of potential environmental concerns were identified via the Phase I Environmental Site Assessment.

As a result of the Phase I Environmental Site Assessment, \$354,225 of BRLF dollars were allocated to the first phase of the Allentown Metal Works cleanup project. Phase 1 is nearly complete. It resulted in the removal and disposal of 26 tons of non-hazardous municipal solid waste; removal and disposal of 187 tons of non-hazardous impacted superficial soils; removal

and disposal of 86 tons of hazardous impacted soils; removal and disposal of three (3) unregulated 275 gallon AST's and three (3) unregulated UST's; removal and disposal of nine (9) PCB-containing transformers or switchgears; removal and disposal of 46,000 gallons of oil and waste oil; and removal of 2.7 tons of hazardous waste containers or drums.

Phase 2: Allentown Metal Works cleanup project

The total Contractual costs associated with Phase 2 cleanup are \$20,000, which represents the City's contractual agreement with an environmental project oversight manager.

Environmental consultant

As required by the EPA, the City will contract with environmental site professionals for site investigation reports, cleanup plans and possible alternatives to actions. The City is expecting environmental site manager activities (monitoring, reporting, etc.) to cost \$20,000.

OTHER - Environmental Clean Up

AEDC will be the sub-grantee to manage Phase 2 of the environmental clean-up of Allentown Metal Works (AMW). Total "other" costs are \$431,585, which represents \$19,940 in environmental project oversight; and \$411,645 of actual environmental remediation.

AEDC will contract with an environmental project manager (EarthRes) for environmental project oversight and project management - \$19,940. AEDC, as sub-grantee, will extend their contract with EarthRes to provide environmental project oversight and project management.

Phase 2 environmental cleanup by a future AEDC-engaged contractor will cost \$411,645. This will include the following (more detail is provided in Addendum B):

- Analytical sampling - \$1,000
- Temporary controls to protect personnel and environment during site work - \$15,000
- Encapsulation and removal/disposal of lead-based paint in Building B - \$226,875;
- Removal of asbestos related materials from pipe insulation and flooring materials of Building B; Building 1 and 2 - \$70,368; and
- Filling of open sumps and pits of Buildings B & C with clean-crushed stone of \$98,400.

A portion of the environmental cleanup costs will be funded by AEDC. AEDC has designated \$55,385 for the project to support the cost share requirement.

Task 4 – Reporting Requirements

The City's Fund Manager will complete the required quarterly progress reports in a timely manner. The Manager will make draw requests and collect and submit supporting documentation.

In addition the City's Fund Manager will monitor and collect funds loaned out for projects. The Manager will handle all loan record keeping activities.

The City-funded staff time associated with Task 4 is \$11,078 in salaries and fringe benefits.

B. Budget (Supplemental Funds)

	Task 1 Programmatic Management	Task 2 Community Involvement	Task 3 Clean Up Activities	Task 4 Reporting Requirements	Totals
Salaries/Personnel	\$ 8,355	\$ 928	\$ 928	\$ 8,355	\$ 18,566
Fringe Benefits	\$ 2,723	\$ 303	\$ 303	\$ 2,721	\$ 6,049
Travel					\$ -
Equipment					\$ -
Supplies		\$ -			\$ -
Contractual			\$ 20,000		\$ 20,000
Construction					\$ -
Other-AEDC	\$ -	\$ 3,800	\$ 431,585	\$ -	\$ 435,385
Total	\$ 11,078	\$ 5,031	\$ 452,816	\$ 11,076	\$ 480,000

4.0 PROGRAM ADMINISTRATION AND REVOLVING LOAN FUND MANAGEMENT

- The City will prepare, review, comment and approve reports and applications from all outside sources.
- The City will ensure that all work and studies are in line with the current City and State laws.
- The City will follow Cooperative Agreement Work Plan.

5.0 SCHEDULES, DELIVERABLES AND MILESTONES

The City expects the second phase of the Allentown Metal Works project to begin in November, 2015 and be completed in February, 2016. Phase 2 of the Allentown Metal Works project includes encapsulation of lead based paint, asbestos abatement, and filling of open stumps and pits with stone. During this process, the City will seek developers interested in developing the site for industrial use. The overall goal of the BCRLF is to clean up the site, located in a heavily populated city center, for future use by the community.

The City of Allentown will loan or grant \$376,200 in BCRLF to support the cleanup of Allentown Metal Works. Cost share amounts from the City and AEDC total \$80,000, which is

representative of \$24,615 in salaries/fringe benefits from the City of Allentown and \$55,385 of environmental cleanup dollars from AEDC. (Refer to below Sources of Funds Schedule)

The City already has approval from the EPA to sub-grant BRLF monies into Allentown Metal Works. The City may initially choose to loan the monies to maintain leverage in the final redevelopment plan.

- Enter into contract for Phase 2 of the Allentown Metal Works project – November, 2015
- Clean-up project completed – Spring, 2016
- Cooperative Agreement Closeout – Spring, 2016

Sources of Funds		
City Personnel/Fringe Match	\$	24,615
AEDC Cash	\$	55,385
Total City/AEDC Match	\$	80,000
EPA Funding	\$	400,000
Total	\$	480,000
EPA Breakdown of Use of Funds		
City -Contractual	\$	20,000
Other - Community Plan/Supplies	\$	3,800
Other - AEDC Clean Up (Sub-Grantee)	\$	376,200
Total EPA Funding	\$	400,000
Matching Funds (City/AEDC) Breakdown		
Additional Clean Up being funded by AEDC	\$	55,385
City Personnel/Fringe Match	\$	24,615
Total Match	\$	80,000

6.0 OUTPUTS AND OUTCOMES

Outputs:

- Community Relations Plan
- Press releases
- Cleanup Plan & Analysis of Brownfields Cleanup Alternatives
- Publically-advertised community meetings
- Sampling Plans
- Quarterly Progress Reports
- **Phase 2 Environmental Cleanup Outputs:** Removal and disposal of about 27,500 square feet of lead based paint in Building B.
- Sealing-in-place of approximately 55,000 square feet of lead-based paint in Building B.
- Removal of about 600 linear feet of ACM Thermal Pipe Insulation in Building B.
- Removal of approximately 2,000 square feet ACM Floor Tile and Mastic located in

Building B.

- Removal of approximately 6,871 square feet of ACM Floor Tile/Mastic/Ceiling Dots in Building 1.
- Fill open sumps and pits with about 5,374 tons of new, crushed stone.

Outcomes:

- Complete the prioritized remediation of the most important and hazardous areas of concern to human and environmental health for the 19.22 acre site in the “Removal and Disposal of Waste & Materials at the Former Allentown Metal Works” project manual. All Act 2 hazards were cleaned up in Phase 1. Most of the lead and asbestos is located in Building B (the largest building in excess of 125,000 gross square feet), which is the focus of Phase 2 of remediation.
- Assistance in returning a key site along the Little Lehigh Corridor back to productive manufacturing/industrial use in adherence to HUD funded sustainability plan and the City’s Reindustrialization Strategy.
- Once cleanup is complete, prioritized redevelopment of the site into a modern manufacturing facility can begin, starting with Building C. Upon full build out into a modern manufacturing facility, the 51,125 SF Building C is predicted to generate up to 100 jobs, up to \$6 million in annual wages, up to \$24 million in annual sales, up to \$21,110 in City taxes, and up to \$191,615 in state taxes, according to an economic impact study in the *City of Allentown Re-Industrialization Strategy: Phase III - Former Allentown Metal Works Redevelopment Strategy*. The redevelopment of the entire former Allentown Metal Works site may generate up to 400 jobs (including multipliers), up to \$21 million in annual wages, up to \$70 million in annual sales, and up to \$83 thousand in City taxes upon full build out (*Re-Industrialization Strategy: Phase III, 2014*).

7.0 REPORTING REQUIREMENTS

The City will:

- Submit quarterly progress reports;
- Submit an annual financial status report, and
- Update ACRES.

The City’s quarterly reports are accurate and detailed with current data from project activities. All reports have been completed and have been submitted to the EPA by the City’s Fund Manager. Allentown has the proven ability to administer and execute the BCRLF.

Addendum A: Budget Detail

Addendum A Revised Budget Detail 10.17.2015

Personnel (In-Kind)

Position/Title	Annual Salary	% of Time on RLF	Est. Costs	Total Budget Period (1 year)
Site Manager/Fund Manager	\$ 74,263	25%	\$ 18,566	\$ 18,566

The Business Development Manager will act as both the site manager and the fund manager. It is anticipated that 25% of the annual salary of this staff person will be attributed to the EPA Brownfield Revolving Loan Program.

Fringe Benefits (In-Kind)

Annual fringe benefits of this position total \$24,205 per annum, and are representative of FICA taxes, pension benefits, and health care benefits.

25% of annual health benefits (\$15,373*.25) =	\$3,842
25% of annual FICA tax (\$4,827 * .25) =	\$1,207
25% of annual pension (\$4,005 *.25) =	<u>\$1,000</u>
Total	\$6,049

Position/Title	Annual Cost	% of Time on RLF	Est. Costs	Total Budget Period (1 year)
Fringe Benefits (FICA, Pension, Medical)	\$ 24,205	25%	\$ 6,051	\$ 6,049

Grand Total Personnel (In-Kind) Salary and Fringe Benefits

\$24,615

Contractual

\$20,000

Contractual represents the City's Cost to hire a project manager for project oversight of the Allentown Metal Works environmental remediation project. It is anticipated that this will come out of the EPA allocation.

Other

Sub-Grant to AEDC/ EPA share of environmental remediation costs associated with project management and clean-up of

\$376,200

AEDC will also be contributing **\$55,385** of cash toward the overall environmental clean-up costs of \$431,585 as a matching requirement. Please refer to Addendum B for a breakdown of environmental clean up costs.

\$55,385

Other costs also include costs associated with public meeting notices, and the advertisement of community relations and cleanup plans in English and Spanish publications. The cost for paper

marketing materials, including brochures, handouts and newspaper advertisements will be \$3,800. \$3,800

Total Other Costs **\$435,385**

Total Project **\$480,000**

**Addendum B: Other – AEDC as sub-grantee: Actual Phase 2
Remediation Work**

Phase 2 Work - AEDC (Other)	Estimated Quantities	Unit Price	Extended Price
Analytical sampling and analysis			\$ 1,000.00
Temporary controls to protect personnel and environment during site work			\$ 15,000.00
Removal/Disposal of loose-lead based paint (Building B)	27,500 SF	\$ 3.85	\$ 105,875.00
Sealing existing lead based paint (Building B)	55,000 SF	\$ 2.20	\$ 121,000.00
Subtotal			\$ 226,875.00
Removal of asbestos related pipe insulation (Building B and Building 2; utility tunnel)	600 LF	\$ 24.20	\$14,520.00
Removal of asbestos related floor tile/mastic (Building B)	2,000 SF	\$ 5.45	\$10,900.00
Removal of asbestos related floor tile/mastic/ceiling dots (Building 1)	6,871 SF	\$ 5.45	\$37,448.00
ACM Air Testing and Sampling			\$7,500.00
Subtotal			\$70,368.00
Fill Open Sumps/Pits with Crushed Stone (Buildings B&C)	5,374 tons	\$ 18.31	\$98,400.00
Total			\$ 411,645.00
Project OverSight for Sub-Grantee - EarthRes			\$ 19,940.00
Total Other			\$ 431,585.00

BUDGET INFORMATION - Non-Construction Programs

OMB Number: 4040-0006
Expiration Date: 06/30/2014

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Brownfields RLF	66.818	\$	\$	\$ 400,000.00	\$ 80,000.00	\$ 480,000.00
2.						
3.				0.00		0.00
4.						
5. Totals		\$	\$	\$ 400,000.00	\$ 80,000.00	\$ 480,000.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
	Brownfields RLF	Cost Share			
a. Personnel	\$	18,566.00	\$		\$ 18,566.00
b. Fringe Benefits		6,049.00			6,049.00
c. Travel					
d. Equipment					
e. Supplies					
f. Contractual	20,000.00				20,000.00
g. Construction	380,000.00	55,385.00			435,385.00
h. Other					
i. Total Direct Charges (sum of 6a-6h)	400,000.00	80,000.00			\$ 480,000.00
j. Indirect Charges					\$
k. TOTALS (sum of 6i and 6j)	\$ 400,000.00	\$ 80,000.00	\$		\$ 480,000.00
7. Program Income	\$		\$		\$

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SECTION C - NON-FEDERAL RESOURCES

(a) Grant Program		(b) Applicant	(c) State	(d) Other Sources	(e)TOTALS
8.	Brownfields RLF	\$ 80,000.00	\$	\$	\$ 80,000.00
9.					
10.		0.00			0.00
11.					
12. TOTAL (sum of lines 8-11)		\$ 80,000.00	\$	\$	\$ 80,000.00

SECTION D - FORECASTED CASH NEEDS

	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ 400,000.00	\$ 45,900.00	\$ 92,700.00	\$ 147,498.00	\$ 113,902.00
14. Non-Federal	\$ 80,000.00	9,847.00	6,154.00	61,537.00	2,462.00
15. TOTAL (sum of lines 13 and 14)	\$ 480,000.00	\$ 55,747.00	\$ 98,854.00	\$ 209,035.00	\$ 116,364.00

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

(a) Grant Program		FUTURE FUNDING PERIODS (YEARS)			
		(b)First	(c) Second	(d) Third	(e) Fourth
16.	Brownfields RLF	\$ 0.00	\$	\$	\$
17.		0.00			
18.		0.00			
19.		0.00			
20. TOTAL (sum of lines 16 - 19)		\$	\$	\$	\$

SECTION F - OTHER BUDGET INFORMATION

21. Direct Charges:		22. Indirect Charges:	
23. Remarks:			